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OIR - Mr. A. Sidney Buford, III

DEPARTMENT OF STATE
ACQUISITION AND DISTRIBUTION
DIVISION

April 19, 1950

DRE - Philip J. Conley

OFFICE OF THE CHIEF
APR 20 1950

Intelligence for Economic Warfare

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1. On Tuesday, April 18, I discussed with [redacted] and Colonel Glabaugh of CIA the status of the CIA's implementation of the NSC directive.

2. My findings are:

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a. [redacted] and Glabaugh consider the directive as asking them to study a field that is broader than intelligence for economic warfare and is, in effect, economic intelligence relating to the national security.

b. They are working on two aspects of the assignment:

(1) The existing capabilities of the government for economic intelligence. They have a questionnaire asking for such items as persons available in certain areas or functional specializations -- broken down by P ratings. These questionnaires are to be filled out by the various agencies. So far they have not submitted them to any other agency nor for that matter to the CIA. The reason for this fact is that they are working with the Bureau of the Budget and the Bureau wishes them to hold up their project until the Bureau has finished a survey it is making of the capabilities of the Foreign Service for economic reporting. This survey is scheduled to be finished in July. [redacted] and Glabaugh indicated that they might go ahead and ask the Department of Defense to fill out the questionnaire but would not approach the non-IAC agencies. They did not mention their plans in respect to State, nor did I volunteer to say whether or not they should now ask State to fill out the form. I believe that we should consider suggesting that -- if only to maintain the somewhat confidential relations that we now have with [redacted] and Glabaugh.

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(2) Requirements. They have a preliminary draft of the needs of the various agencies concerned with economic matters of foreign countries. They indicated that I could have a copy, provided I treated it as an informal item -- with no official CIA status. My rough, quick glance at the document in their office led me to believe that not much progress has been made on this front, but judgment had best be held. They asked my ideas of the genre of economic warfare that most needed intelligence. I was able off-the-cuff only to suggest that they should draw up plans for very general projects, see how many projects would meet the general needs of several instruments of economic warfare and to concentrate first on those. They apparently had been considering concentrating first on the material needed for proclaimed listing, because it was one field of economic warfare in which no agency was now functioning. I pointed out to them that this choice had the disadvantage of giving highest priority to the form of economic warfare that the NSRB studies gave the lowest priority to.

Review of this document by CIA has determined that

- CIA has no objection to declass
- It contains information of CIA interest that must remain classified at TS S C

It contains nothing of CIA interest

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3. Other items of interest are:

25X1A9a a. [redacted] still believes that any work on Soviet economic capabilities would be done within the CIA by [redacted] outfit. This large group, he said, is mostly composed of economists, mining engineers and other functional specialists, with only a few, if any, political analysts. 25X1A9a

25X1A9a b. I gathered from veiled remarks that they seem to be leaning toward hiring [redacted] as Clabaugh's assistant. They asked my appraisal of him. I had to tell them that I know him but could not pass upon his qualifications. [redacted]

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